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Applicant Initiated Interview Request Form

Application No.: 10762466 First Named Applicant: Frank Duane Lortscher Jr

Examiner: Linda Perry Art Unit: 3695 Status of Application: Final Rej. Mailed

Tentative Participants:

(1) Examiner Linda Perry (2) Examiner Charles Kyle

(3) Brian A. Tollefson (4) _____

Proposed Date of Interview: 07/23/2009 **Proposed Time:** 10:30 am **AM/PM**

Type of Interview Requested:

(1) ☑ **Telephonic** (2) ☐ **Personal** (3) ☐ **Video Conference**

Exhibit To Be Shown or Demonstrated: ☐ **YES** ☑ **NO**

If yes, provide brief description: _____

Issues To Be Discussed

Issues (Rej., Obj., etc)	Claims/ Fig. #s	Prior Art	Discussed	Agreed	Not Agreed
(1) 112 Rejection	44-77		☐	☐	☐
(2) 103 Rejection	44-77		☐	☐	☐
(3)			☐	☐	☐
(4)			☐	☐	☐

☑ Continuation Sheet Attached

Brief Description of Argument to be Presented:

Paragraphs 0036, 0042, 0046, 0061 support the claims and the claims are definite. Kane teaches some sort of artifical intelligence scheme based on rules and does not cure the deficiencies of Lupien. Further details attached.

An interview was conducted on the above-identified application on _____ .

NOTE: This form should be completed by applicant and submitted to the examiner in advance of the interview (see MPEP § 713.01).

This application will not be delayed from issue because of applicant's failure to submit a written record of this interview. Therefore, applicant is advised to file a statement of the substance of this interview (37 CFR 1.133(b)) as soon as possible.

Applicant/Applicant's Representative Signature	Examiner/SPE Signature
Brian A. Tollefson Typed/Printed Name of Applicant or Representative	
46338 Registration Number, if applicable	

10/762,466
TALKING POINTS FOR TELEPHONIC INTERVIEW
NOT FOR ENTRY INTO THE RECORD - - FOR DISCUSSION PURPOSES ONLY

1. **Formalities**

On Page 2, the Office Action states that claim 67 is not supported. Claim 67 is not rejected for lack of support.

On page 3 of the Office Action, claims 44-77 were rejected under 35 U.S.C. § 112, second paragraph, as allegedly being indefinite. The essential question under 35 U.S.C. § 112, second paragraph, is whether the claims do, in fact, set out and circumscribe a particular area with a reasonable degree of precision and particularity. Definiteness of claim language is analyzed, not in a vacuum, but always in light of the teachings of the prior art and of the particular application disclosure as it would be interpreted by one possessing the ordinary level of skill in the pertinent art. In re Moore, 439 F.2d 1232, 169 USPQ 236 (CCPA 1971). See also MPEP 2173.02. Here, the claims define the invented subject matter with a reasonable degree of precision and particularity, especially in view of the specification and what is known in the art of trading.

At page 3 of the Office Action, a "very broad interpretation" of the term "party to the trade" is made. The premise is that "third party data, which represents of the bulk of data on executed transactions, is not available with the identification of the buyer of seller." However, paragraph 0046 of the present application states that "one novel feature of the present invention is the utilization of transaction data for the generation of recommendation information. Transaction data may be taken directly from market sources, from subscribers within the present system, or purchased from third party data providers." Clearly, the rejection is based on the erroneous conclusion (from personal knowledge and not from the Applicant's specification) that third party data represents the bulk of data on executed transactions that is available. This statement simply is in contradistinction with the specification.

At the bottom of page 3, it is stated that the term "transaction type" is indefinite because it is stated with no further information. However, the skilled person would readily understand this meaning of this term in view of the specification (e.g. paragraph 0042 defines transaction, in connection with securities would mean to include buy, sell, sell short, and other actions that can be taken on security, a paragraph 0061 specifically defines transaction types for trade orders to include shorts, buys, sells, holds, puts, calls, informed no actions, etc.).

The term "relating to," can be changed to "for."

On page 4, the assertions regarding the price of the transaction are impractical. In view of the specification, one skilled in the art would readily understand that the "price" of the transaction relates to the agreed upon price at which the transaction took place (or with a proposed transaction, is the limit price), and the skilled person would not confuse the

price with the **costs** relating to the transaction, which may include brokerage fees, opportunity costs, etc. There is simply no basis for this interpretation.

Regarding the language "based on a measured level of expertise," the Office Action refers to paragraph 0036 (sic, the definition of conviction is in para. 0036 and the definition of expertise is in paragraph 0038) on page 4 of the Office Action. The Office Action does not set forth an appropriate rejection as the terms "based on" and "measured level of expertise" would be readily understandable. If the claim language is not supported, then a rejection should have been made under a different provision of the code.

An objection was made to the language "at a first computer." But, there is no requirement that a second or other computer be sited. Further, there is no requirement to specifically state where specific steps are performed. This objection/rejection is not understandable.

On page 5, the Examiner objects to the term "relevant." The related comments are somewhat obtuse. For example, the Office Action posits, "why one weights the transactions ... are the weights different ... how and why?" None of these questions are based in patent law. The Office Action includes irrelevant questions in a vacuum with out any reference to the specification whatsoever. The fact that a weighting step is provided within the generating step will be readily understood and is completely concise in view of the present specification. Thus, the rejections to claim 44 are baseless.

At the bottom of page 5, with respect to claim 46 it is stated that the term "based on" is vague and the term "similarity" is not defined. "Based on" is well know and is not vague. The term "similarity" will be readily understood by the skilled person in context of the claim. Namely, the claim states that "said recommendation is generated by further weighting each securities transaction of said relevant executed securities transactions based on a similarity of the executed transaction type to the proposed transaction type ..." One skilled in the art would readily understand that the comparison is being made between the transaction type of the executed transactions and the transaction type of the proposed transaction and that the weighting is based upon the similarity found in the comparison-- for example, SELLS versus BUYS.

On page 6, claim 50 is rejected because it is apparently not understand how an order can be created. The meaning, however, is clear. A trade order, which is well known in the art, is created based on the proposed transaction which may be submitted by the subscriber and the claim is definite. The egg has already been cracked on how to create an order and the skilled person would readily understand numerous ways to do so.

Claim 53 is rejected because "having no information about the criteria is virtually meaningless." The claim is clear, and the rejection is meritless.

We agree that claim 54 should be amended to recite that the comparison is between the numeric indicator to the predetermined value.

The Office Action rejected claim 73 saying that the limitation "relative demonstrability of the party to the executed securities transaction" makes no sense. This term is readily understandable, but, if possible, we should give in on this one.

At the top of page 8, claim 75 is rejected because "said conviction indicator" lacks antecedent basis. We agree that claim 75 should be amended.

Claim 76 and 77 were rejected based on the use of "aggregate." This rejection is baseless as the term aggregate is well known and in the context of these claims, will be readily understood.

The last full paragraph on page 8 is gratuitous and pedantic. While acknowledging that the claims must be viewed in light of the specification, it is stated that the claims are so unclear and imprecise as to how the method for generating securities transaction recommendation is actually done that it is nearly impossible making needless search. This sort of statement has no place in an Office Action, is unprofessional, and should be withdrawn. Indeed, the claims were understandable enough for the Examiner to identify 5 new references.

2. Prior Art Rejections

The prior anticipation rejections were withdrawn. The prior obviousness rejections over Luipen and Gatto were also withdrawn. Several new prior art rejections were made in the Office action:

- Claims 44, 50, 66, 70, 71, 73-75, and 77 were rejected under 35 U.S.C. §103 as being allegedly obvious over the Lupien patent (5,101,353) and further in view of the Kane patent (6,317,728).
- Claims 46, 49, 53, 54, 62, 65, 69, and 72 were rejected under 35 U.S.C. §103(as) as allegedly being obvious over Lupien in further view of Kane, and in further view of the Bigus patent (6,401,080).
- Claims 47 and 66 were rejected under 35 U.S.C. §103(a) as allegedly being obvious over Lupien in further view of Kane, and in further view of the Muralidhar patent publication (2003/0093352).
- Claim 48 was rejected under 35 U.S.C. §103(a) as being obvious over Lupien in further view of Kane, and in further view of the Ricciardi patent publication (2002/0059126).
- Claim 67 was rejected under 35 U.S.C. §103(a) as being obvious over Lupien in further view of Kane, and in further of an Official Notice. The Official Notice taken purports that confidentiality of data for services is old and well known.

Lupien was cited in the last Office Action and remains the "primary" reference upon which all rejections are based. Kane, Bigus, Ricciardi, and Muralidhar are all newly cited prior art references presumably to cover the features added by amendment.

All the rejections rely on the combination of Lupien and Kane as the base combination. Lupien is directed to an automated securities trading and portfolio management system for use by investment managers. The system is designed to increase liquidity in the secondary markets for securities and to generate incremental returns for security portfolios. See Lupien, Summary of Invention. Lupien seeks to add liquidity to the market by taking advantage of large, diversified portfolios held by long term investors. See Abstract. Lupien's system receives portfolio objectives, and within those objectives, Lupien automatically executes trades on behalf of the investor. See Abstract. Lupien is directed to a system that is to be used by institutional investors and is particularly useful in managing large portfolio management portfolios. See Summary of Invention. Generally, the system is concerned with determining, by application of various investment criteria to individual securities, industries and market sectors, when a profit may be achievable in a short period of time by buying or selling a particular security in a user's portfolio considering competitive purchase and sale orders in the open market place. See Col. 3-4 of Lupien. That is, Lupien looks at market data and determines if an investment might meet a user's objectives. Lupien does not evaluate the executed transactions of other traders by the methodology claimed in claim 44 of the present invention in order to generate a recommendation for a proposed transaction.

Kane is directed to a trading system that utilizes artificial intelligence in order to make smart trading decisions. Logic decision agents (e.g., electronic agents or e-agents) represent buy and sell rules, such as those for auto-trading systems. See Abstract. The system includes AI learning. See col. 8, lines 33 et seq. Part of the learning process includes e-agents with increased voting power when their rules work better and punishing e-agents with decreased voting power when their rules fail. See col. 5, line 45 – col. 6, line 5. The e-agents make recommendations with respect to the disposition of commodities. However, Kane does not disclose or suggest evaluating executed transactions of other traders (i.e., parties to the executed transaction) according to the methodology claimed in claim 44.

The Office Action takes the position that the claimed subject matter is merely a combination of existing elements. Therefore, the Examiner must be asserting that Lupien and Kane together disclose all the elements of the claim. The Examiner seems to be interpreting Kane's agents as the "parties" to the transaction and the increasing and decreasing of the voting power as "level of expertise." However, the e-agents are logical representations of a rule in an AI system and are not equivalent to real traders making trades. Therefore, the claimed subject matter can not obvious in view of this combination of cited prior art.